

**NORTHERN STATES FINANCIAL CORPORATION**

	CPP Disbursement Date 02/20/2009	RSSD (Holding Company) 1210589	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2013 \$ millions	2014 \$ millions	%chg from prev		
Assets	\$392	\$422	7.6%		
Loans	\$225	\$219	-2.7%		
Construction & development	\$19	\$12	-38.8%		
Closed-end 1-4 family residential	\$29	\$31	4.3%		
Home equity	\$13	\$9	-29.9%		
Credit card	\$0	\$0			
Other consumer	\$1	\$1	-17.1%		
Commercial & Industrial	\$10	\$12	15.8%		
Commercial real estate	\$120	\$120	-0.2%		
Unused commitments	\$24	\$33	35.6%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$49	\$70	43.2%		
Asset-backed securities	\$0	\$2			
Other securities	\$44	\$66	50.7%		
Cash & balances due	\$57	\$43	-23.5%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$367	\$380	3.5%		
Deposits	\$348	\$359	3.0%		
Total other borrowings	\$16	\$18	13.8%		
FHLB advances	\$0	\$0			
Equity					
Equity capital at quarter end	\$25	\$42	66.7%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$15	NA		
Performance Ratios					
Tier 1 leverage ratio	6.5%	9.9%	--		
Tier 1 risk based capital ratio	11.3%	17.4%	--		
Total risk based capital ratio	12.5%	18.7%	--		
Return on equity <sup>1</sup>	-13.5%	-0.6%	--		
Return on assets <sup>1</sup>	-0.9%	-0.1%	--		
Net interest margin <sup>1</sup>	3.7%	3.4%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	46.0%	37.0%	--		
Loss provision to net charge-offs (qtr)	13.8%	0.0%	--		
Net charge-offs to average loans and leases <sup>1</sup>	11.3%	3.5%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2013	2014	2013	2014	
Construction & development	64.3%	28.8%	7.3%	8.4%	--
Closed-end 1-4 family residential	4.4%	3.3%	1.9%	0.2%	--
Home equity	5.9%	11.1%	3.0%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	4.4%	1.0%	0.0%	0.0%	--
Commercial & Industrial	0.0%	1.6%	0.0%	0.0%	--
Commercial real estate	4.6%	10.1%	3.4%	0.7%	--
Total loans	8.8%	8.1%	2.9%	0.9%	--